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PROJECT NO. 52373

REVIEW OF WHOLESALE ELECTRIC MARKET DESIGN § **PUBLIC UTILITY COMMISSION**
§
§ **OF TEXAS**

PROJECT NO. 52268

CALENDAR YEAR 2021 – WORKSHOP § **PUBLIC UTILITY COMMISSION**
AGENDA ITEMS WITHOUT AN §
ASSOCIATED CONTROL NUMBER § **OF TEXAS**

**SHARYLAND UTILITIES, L.L.C.’S COMMENTS
REGARDING DC TIES**

Sharyland Utilities, L.L.C. (“Sharyland”) appreciates the opportunity to file these limited comments regarding high voltage direct current ties (“DC Ties”), and respectfully shows as follows:

Sharyland owns and maintains a DC Tie between the Electric Reliability Council of Texas (“ERCOT”) and Comisión Federal de Electricidad (“CFE”). In comments filed by Oncor Electric Delivery Company LLC (“Oncor”) in this project on August 16, 2021, Oncor noted that the Mexican government has announced plans to interconnect the two currently disconnected parts of CFE, which could endanger the jurisdictional status of ERCOT.¹ Sharyland submits these comments to provide additional information regarding an order issued by the Federal Energy Regulatory Commission (“FERC”) in 2018 that ensures that the planned interconnection of these two parts of the CFE grid would not subject ERCOT to FERC’s plenary jurisdiction.

In 2018, AEP Energy Partners, Inc. (“AEP Energy”) sought an order from FERC under section 211 of the Federal Power Act directing Sharyland, AEP Texas, Inc. (“AEP Texas”), and Electric Transmission Texas, LLC (“ETT”) to provide transmission services for power flows to, from, and over the Sharyland DC Tie, the Eagle Pass DC Tie, and the Laredo VFT Tie, respectively.² AEP Energy’s application at FERC was prompted by several proposed and potential projects, including the planned connection between the CFE national grid and the CFE Baja

¹ See Oncor Electric Delivery Company LLC’s Comments Regarding DC Ties at 3 (Aug. 16, 2021).

² *AEP Energy Partners, Inc.*, FERC Docket No. TX18-1-000, Application (Mar. 28, 2018).

California system (the same interconnection mentioned in Oncor's comments) and the proposed Nogales Interconnection Project linking Arizona with the CFE national grid. AEP Energy noted that these proposed projects had caused concerns about the future applicability of three prior FERC orders that held that the ownership and operation of the DC Ties linking ERCOT and CFE would not cause ERCOT or ERCOT market participants that were not already public utilities to become subject to FERC's plenary jurisdiction as public utilities.³

In an order dated July 26, 2018, FERC granted AEP Energy's request and concluded that the continued operation of the ERCOT-CFE DC Ties would not subject ERCOT to FERC's plenary jurisdiction notwithstanding the planned connection between the CFE national grid and the CFE Baja California grid.⁴ Specifically, FERC ordered as follows:

Compliance with this order and the Offer of Settlement shall not cause ERCOT, AEP Texas, ETT, Sharyland, or any other ERCOT utility or other entity that is not already a public utility to become a "public utility" as that term is defined by section 201 of the FPA and subject to the jurisdiction of the Commission for any purpose other than for the purpose of carrying out the provisions of section 211 of the FPA.⁵

For convenience, a copy of the order is attached hereto.

Respectfully Submitted,

/s/ Jeffrey B. Stuart

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³ *Id.*

⁴ See *AEP Energy Partners, Inc.*, 164 FERC ¶ 61,056 (2018).

⁵ *Id.* at 9.